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FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 1583
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHAK/AMEMBASSY ANKARA PRIORITY 4320
RUEHBJ/AMEMBASSY BEIJING PRIORITY 2132
RUEHKO/AMEMBASSY TOKYO PRIORITY 1997
RUEHIT/AMCONSUL ISTANBUL PRIORITY 2568
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUEHVEN/USMISSION USOSCE PRIORITY 2908
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY

C O N F I D E N T I A L ASHGABAT 001248

SIPDIS

STATE FOR SCA/CEN, EEB
COMMERCE FOR HEUPER

E.O. 12958: DECL: 09/18/2018
TAGS: [PGOV](#) [EINV](#) [EPET](#) [TX](#)
SUBJECT: AMERICAN SUPPLY COMPANY SURPRISED BY
CORRUPTION--IN TURKMENISTAN

REF: A. ASHGABAT 1120
[1](#)B. ASHGABAT 1129
[1](#)C. ASHGABAT 1130

Classified By: Charge Sylvia Reed Curran for reasons 1.4 (b) and (d).

[1](#)1. (C) On September 18, emboffs met with Greg Ballou, the Amcit business development manager for Gateway Ventures International, a U.S. company with offices across Eurasia, the Middle East and Asia. The company's business activities appear to be broad, but the company's recently-registered office in Ashgabat is primarily focused on supplying materials and equipment to oil and gas companies operating here. As the single Amcit in a four-man office, he is expecting approval soon for his one-year visa.

[1](#)2. (C) Ballou sought a meeting primarily to seek guidance. Although he had acquired registration for the company through legal assistance from the Medet law firm, a business opportunity had come up that had raised new questions for him regarding the U.S. Foreign Corrupt Practices Act and local Turkmen law.

[1](#)3. (C) The company is currently working several small contracts with Burren/ENI right now, but was recently approached by a Turkmen contact who offered to bring a new business opportunity to the company. The contact knew that the Chinese National Petroleum Corporation (CNPC) was looking for a vendor to procure heavy machinery needed to help CNPC meet its deadlines related to the agreement it signed with the Turkmen government on the construction of facilities that will serve the Turkmenistan-China pipeline. (NOTE: Although CNPC has been busily importing its own equipment and materials for the range of projects underway in Lebap province, it has also snapped up nearly all available building materials and heavy machinery in the area as well (refs). END NOTE.)

[1](#)4. (C) The Turkmen contact could guarantee that Gateway would get the procurement contract, but would require an unspecified finders fee. In and of itself, this is not an abnormal business practice in most places, but the contact

wanted the company to pay the fee into his offshore bank account. Ballou said he became concerned about this, and the company has not signed any agreement related to this deal. He wants the company to steer clear of any illegalities. Ballou seemed truly surprised by the contact's proposition, although he claimed to have years of experience working in Russia and Kazakhstan.

15. (C) COMMENT: Ballou would not name his Turkmen contact, and post assumes that he is someone already contracting with CNPC who decided to turn the company's need into an opportunity. The fact that he wanted the payment to stay outside the country certainly points to a desire to either avoid taxation or to avoid creating any documentation that the payment took place. Regardless, it all seems rather shady. END COMMENT.
CURRAN